Out-of court settlement on rent of premises occupied by MMTC|STC

2691. SHRI S. S. AHLUWALIA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Government have made an out-of court settlement in regard to the enhancement of rent of the office premises occupied by the M.M.T.C.|STC in Expores Building New Delhi, during the month of February, 1984;

(b) if so, what were the circumstances which led Government to by-pass the provisions of Delhi Rent Control Act and permit a very steep increase of rental not fully justified as per the rent rules;

(c) what are the reasons for giving increased rental with a retrospective effect, when all such matters in the Rent Control Courts get prospective sanction;

(d) what was the otal amount of arrears paid the percentage of increase given and whether this was done in respect of other Buildings where MMTC| STC offices are housed; and

(e) the reasons for not adhering to the established channels of redressal which is applicable to a common landlord|tenant?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) to (e) Minerals & Metals Trading Corporation (MMTC) is occupying 73,900 sq. ft. of office space owned my M|s Express Newspapers Pvt. Ltd. in the Evpress Building, Bahadur Shah Zafar Marg, New Delhi. The space was originally leased by STC on a monthly rent of Rs. 0.60 per sq. ft. and the rent was revised by mutual agreement from time to time. On vacation of the accommodation by STC, MMTC agreed through exchange of letters in April 1970 to enter into fresh lease on a monthly rental of Rs. 2|- per sq. ft. for a period of 3 years extendable for another 3 years. No. lease was however signed.

When the period of 6 years expired in May, 1976, the landlord suggested fresh negotiations to settle the terms and asked for enhancement of rent from 1-6-1976. The legal advise received by MMTC was that after May, 1976 their status would be that of a statutory tenant under the Delhi Rent Control Act. The matter was considered by the Board of Directors in March 1978 and considering the past practice and the general increase in rents, they authorised the management to settle the revised rent at the rate of Rs. 4.25 per sq. ft. inclusive of air-conditioning charges from 1-4-1977. Rent was accordingly paid from 1.4.1977.

In May, 1982 M|s. Express Newspapers Pvt. Ltd. asked for further increase in rent from 1-4-1982. On a reference from Chairman, MMTC, the Ministry informed the Corporation that under the Delhi Rent Control Act, MMTC may not be obliged to increase the rent but that this being a legal issue, the Corporation should go on the basis of legal advice. The Board of Directors considered the matter in March 1983 and decided that in terms of the draft of lease agreement (which could not yet be finalised due to mutual difference) which provided for arbitration clause, the Corporation intended to go for a third-party arbitration. The Ministry informed the Corporation in April 1983 that MMTC was free to negotiate and finalise the rent in terms of the draft agreement and the commercial practice.

In June 1983 a joint reference was made by M|s. Express Newspapers Pvt. Ltd. and MMTC appointing a retired Chief Justice of Delhi High Court as the sole arbitrator. However, when the matter was heard by the arbitrator, MMTC raised the question of jurisdiction and took the plea that the claim for enhancement of rent was not maintainable. At that stage the Legal Counsel of the landlord, former MP Shri Ram Jethmalani, wrote to the then Commerce Minister on February 7, 1984 stating that he expected the Government to tell MMTC that such technical hitches should not be put in the path of a citizen. The Board of Directors of MMTC set up in March,

1984 a Committee of senior officers to negotiate with the landlord a reasonable settlement of the question of rent but no agreement could be reached. MMTC felt that since negotiations had failed, they may agree with the proposal of the party reverting to arbitration. A retired Judge of Supreme Court was requested to work as sole arbitrator. He gave an award on 16-2-1985 on payment of rent inclusive of A.C. charges at the rate of Rs. 8.50 per sq. ft. with effect from 1-4-1982 an increase of 100 per cent over the period prior to 1-4-82. A total sum of Rs. 1,13,06,700 was paid as a result of the award.

MMTC|STC given an increase in rent in respect of buildings in their occuption after considering the lease agreements, if any, and other relevant facts of the individual case.

Amendment of Factories Act

2692. SHRI SURESH PACHOURI: Will the Minister of LABOUR be pleased to state:

(a) whether the Factories Act has been amended recently in order to provide full safeguards against accidents and for the protection of workers and environment;

(b) whether it is a fact that the Indian Act is even more stringent than the one in operation in the U.K. etc.; and

(c) if so, whether workers are being fully involved to ensure an accident-free atmosphere in the industries?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P. A. SANGMA): (a) and (c) The Factories Act, 1984 has been amended recently *inter alia*, in order to lay down special safeguard for hazardous substances and emergency standards and measures. The Act now also provides for workers' participation in safety management and accident prevention.

(b) The provisions of the amended Act are comparable to those contained in the Health and Safety at Work Act (U.K.) and the Occupational Safety and Health Act (U.S.A.)

Export of Woollen Knitwear to the U.S.S.R.

2693. SHRI GHULAM RASOOL MATTO: Will the Minister of TEXTILES be pleased to state:

(a) what is the total amount of Woollen Knitwear agreed to be exported to USSR by India for the year 1987-88 and what is the break-up of the same between cotton, specially fibres and wool under the Trade Protocol signed by the Government of India with the USSR;

(b) whether Government are aware that on export of these items, particularly Knitwear made out of speciality fibres, large amount of foreign exchange is being spent by Government for the import of raw material without any direct benefit in the field of employment within the country;

(c) whether Government have taken up the matter with the USSR Government to rectify this anomaly and imbalance and if so, what is the result thereof; and

(d) what is the quantum of woollen Knitwear fixed in the Trade Protocol with USSR for export for the year 1988-89, with break-up of the same between cotton, speciality fibres and wool?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR): (a) to (d) For export from India to USSR certain provisions are made on calander year basis. Such provisions for 1988 are yet to be decided. The provisions are not made for various varieties of a particular item.

Since the raw material needed for such knitwear products which are in demand in foreign markets is not locally available, such raw material is imported for manufacture and export of finished product, thereby adding to the foreign exchange earnings besides generating employment opportunities.